Major Moves Construction Fund and Next Generation Trust Fund BAAs

Question #1

In the PROPOSAL PROCESS section it states "Up to (1) response per firm will be considered for this Core fixed income mandate." In the MINIMUM QUALIFICATIONS AND SCOPE OF WORK it states that "the core manager should have an approach managed against the Lehman Aggregate Index, Lehman Government/Credit Index or the Lehman Intermediate Government/Credit Index." We offer products that are managed against both the Lehman Aggregate and the Lehman Intermediate Government/Credit Index. Should a firm select just one product for the "Response to MMCF & NGTF BAA CORE FIXED INCOME SEARCH" or may a response include two different (Lehman Aggregate and Lehman Intermediate Government) products that meets the criteria? (Submitted by Daniel Cleary, Delaware Investments)

Answer #1

Please select only one Core product to be considered in the Core Fixed Income search. If you have products benchmarked against both the Lehman Brothers Aggregate and the Lehman Intermediate Government/Credit indices, the preference would be to submit the product benchmarked against the Lehman Brothers Aggregate Index. Only one response per firm will be considered for each of the Broad Agency Announcements -- Core, Core Plus, Hybrid and High Yield.

Question #2

In regard to the e-mail that was sent from Tim Berry's office, of which a line is pasted below. For the Hybrid/High Yield style, can we submit either Hybrid or High yield? Or does it need to be some combination of both styles? The Funds are seeking investment managers for the Core, Core Plus and Hybrid/High Yield fixed income styles. (Submitted by Gary Barutzke, Wells Capital Management, Inc.)

Answer #2

One response per firm will be considered for each of the Broad Agency Announcements – Core, Core Plus, Hybrid and High Yield. You may submit one response to the Hybrid search and also one response to the High Yield search. These should be considered separate and distinct styles.

Question #3

On page 3 of the Solicitation for Investment Management Services document for Core Fixed Income, it states that: "Each service provider to the Funds shall be required to sign a statement of receipt and agree to abide by the terms of the Investment Policy Statement governing the Funds." It does not appear that the Investment Policy Statement was part of the proposal package. Can we get a copy of the Investment Policy Statement prior to submitting the proposal? (Submitted by Rob Mattos, Wells Capital Management, Inc.)

Answer #3

The Investment Policy Statement is currently being drafted. The Treasurer will work with the managers in designing securities guidelines for the Investment Policy Statement after the managers have been chosen.

Question #4

Section IV-Security Selection
U. What were the last three transactions made, why did you make them?
Is this question looking for the last three bond trades made leading up to the end of 1Q06, and do you want buy/sell transactions or just buys?
(Submitted by Dawn Knight, Caywood-Scholl Capital Management)

Answer #4

The response to this question should be the last three transactions to date prior to providing your response to the BAA. Please include buy and sell transactions along with the reason for each transaction.

Question #5

Section V-Performance
C. For each of the periods listed below provide the dispersion…
For 03/06 did you want the one year ending 03/06 or just the quarter (YTD)?
(Submitted by Dawn Knight, Caywood-Scholl Capital Management)

Answer #5

Please provide data for the quarter ending 03/06 (YTD).

Question #6

After reading the *Buy Indiana Policy: Executive Order 05-05*, we have a question regarding the Request for Proposals Current Scoring Process which reads as follows:

Current Scoring Process		
Adherence to Requirements	Pass/Fail	
Management Assessment/Quality	30 pts	
Price	25 pts	
Buy Indiana	25 pts	Indiana Company -10 pts
		Indiana Economic Impact - 15 pts
MWBE Requirement	20 pts	10 pts each for Women and Minority participation
Total	100 pts	

If our firm does not meet either the Buy Indiana or MWBE Requirement, is it correct to interpret that the highest possible score the RFP could receive is 55 out of 100 points? (Submitted by Sarah Burns, Franklin Templeton Institutional)

Answer #6

Because the solicitation for investment management services was rendered via a Broad Agency Announcement (public notice) rather than a Request for Proposal, the RFP-specific scoring process referenced in the *Buy Indiana Policy: Executive Order 05-05* will not formally be used. The BAA states, "This BAA is intended to publicize the availability of contracting opportunities for services described herein. This is not an Invitation for Bid, nor is it a Request for Proposal under Indiana Code (IC) 4-13-1.3-4 et seq."

Institutions meeting the "spirit" of the criteria language of Indiana businesses as set forth in Executive Order 05-05 may be given preference, however, if all other criteria are equal.

Question #7

Section II, Question D of the proposal states the following: "Breakdown the total U.S. based tax-exempt assets from fixed income as of 3/31/06. The total should equal the number of accounts and assets provided in the Domestic and International Fixed Income responses in question B above." However, the accounts and assets requested in question B include total assets (taxable and tax-exempt), in which case they would not necessarily match the numbers we provide for question D. So should we include only tax-exempt assets for question B, or do the totals in the two charts not need to match? This question applies for all four mandates (Core, Core Plus, High Yield, High Yield Hybrid). (Submitted by Daniel Cleary, Delaware Investments)

Answer #7

Please answer questions "B" and "D" in Section II as they are individually written, without regard to the statement in question "D" that "The total should equal the number of accounts and assets provided in the Domestic and International Fixed Income responses in question B above."

Question #8

I would like to bring to your attention a discrepancy in section II Business Focus of the Core and Core Plus Fixed Income RFP. In question D it asks for a breakdown of "tax exempt assets from fixed income." The question also states that this total should equal the totals in question B. However question B is asking for "total assets managed by the firm" Please advise how you would like this breakout since total assets for the firm includes "taxable assets", so the totals in question D will not equal those in question B. (Submitted by Timothy P. Daley, Oppenheimer Investment Management LLC)

Answer #8

Please answer questions "B" and "D" in Section II as they are individually written, without regard to the statement in question "D" that "The total should equal the number of accounts and assets provided in the Domestic and International Fixed Income responses in question B above."

Question #9

Regarding the Hybrid Fixed Income Style, the Lehman Brothers Aggregate benchmark is mentioned, is this the benchmark that should be looked at for duration and/or average maturity or can you give us additional guidance on a specified duration and/or average maturity? (Submitted by Carl Mills, Fifth Third)

Answer #9

The BAA states, "The Office of the Treasurer expects that the Hybrid style will add returns above and beyond both the Lehman Brothers Aggregate and a Core Plus mandate. The primary goal of the mandate is higher returns than the Aggregate, with diversification benefits being a secondary goal."

Products will be based on their abilities to outperform the Lehman Brothers Aggregate (i.e. LBA plus X%). There are no specific duration and/or maturity constraints guiding the Hybrid search process at this time.

Question #10

We would like to submit questionnaires for two high yield fixed income strategies. The BAA reads, "*Up to one (1) response per firm will be considered for this High Yield mandate.*" Can a firm submit two questionnaires for separate investment strategies? (Submitted by John Musser, Penn Capital Management)

Answer #10

Please select only one High Yield product to be considered in the High Yield search. Only one response per firm will be considered for each of the Broad Agency Announcements -- Core, Core Plus, Hybrid and High Yield.

Question #11

Will there be finalist presentations and/or on-site visits during the month of July? If so, do you know when these events will be scheduled? (Submitted by Marty Flesher, Fort Washington Investment Advisors, Inc.)

Answer #11

Specific dates are yet to be determined for any finalist presentations and/or onsite visits that may occur as part of this search process.